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EXAMINER

KYLE, CHARLES R

ART UNIT

PAPER NUMBER

3624

DATE MAILED: 07/05/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application N .

09/307,752

Applicant(s)

CHAGANTI, NAREN

Examiner

Charles R Kyle

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— The MAILING DATE of this communication appears on the cover sheet with the correspondence address —

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 30 April 2002.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 7-44 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 7-44 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

### **DETAILED ACTION**

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 39 recites the limitation "the buyer's ownership" in line 7 of the claim. There is insufficient antecedent basis for this limitation in the claim and the Claim is rejected.

Claim 39 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. There is no clear description of how after receiving a bid, the buyer's ownership interest is determined by the method.

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

**Claim 1, 17 and 23-24 and 33** are rejected under 35 U.S.C. 102(e) as being anticipated by Ferstenberg et al, already of record, item BB, paper No. 3.

**Concerning Claim 1**, Ferstenberg et al discloses the invention as claimed including in a computer-implemented method of marketing an intangible property (Summary of the Invention), the steps of:

Establishing an electronic marketplace (Col. 1, line 14 to Col. Col. 11, line 56);

Assigning an identifier to said intangible property interest (Col. 42, line 48, Table 8. "Asset Identifier"; Col. 38, lines 57-67);

Storing the identifier (Col. 47, lines 5-17);

Receiving a bid for purchase of said intangible property interest (Col. 42, line 42, Table 8, "Asset is Bid for Purchase"); and

Selling the property interest (Summary of the Invention).

**Concerning Claim 17**, Ferstenberg et al disclose registering an intangible property interest as assigning an identifier of the interest at Col. 42, line 48, Table 8. "Asset Identifier"; Col. 38, lines 57-67 and storing the identifier at Col. 47, lines 5-17.

**Concerning Claim 23**, Ferstenberg et al disclose an electronic marketplace comprising a programmed computer coupled to a communication network at the Background of the Invention and the Summary of the Invention.

**With respect to Claim 24**, see the discussion of Claims 7 and 17 above and Ferstenberg et al further disclose displaying identifiers of intangible property interests at Col. 43, lines 51-62 and Col. 44, line 64 to Col. 45, line 10.

**With respect to Claim 33**, see the discussions of Claims 7 and 24 above Ferstenberg et al further discloses that in an intermediated exchange of commodities in a

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portfolio (Background and Summary of the Invention) a record for the investment portfolio is stored (Col. 4, lines 4-44). Further, a record for such a portfolio of intangible property interests would have been inherent to the method, as lacking such records, the system could not have operated.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**Claims 16** is rejected under 35 U.S.C. 103(a) as being unpatentable over Ferstenberg et al.

**As to Claim 16**, see the discussion of Claim 17 above and it would have been obvious to have invited a seller to register a property because this would have provided part of the information necessary to have concluded an agreement between the seller and the provider of the method for the sale of the intangible property interest.

**Claims 39** is rejected under 35 U.S.C. 103(a) as being unpatentable over Harrington et al.

**Regarding Claim 39**, Harrington et al disclose the invention substantially as claimed including in a computer-implemented method of selling a share in intangible property interests (Summary of the Invention) the steps of:

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Computing a plurality of shares in an intangible property interest (Col. 6, lines 20-26);

Outputting a prospectus for shares in said intangible property interest (Col. 6, lines 27-30);

Computing a price for a share of said intangible property interest (Col. 8, lines 18-28; Col. 9, lines 40-55);

Receiving a bid for a share of said intangible property interest (Fig. 10; Col. 9, lines 23-29);

Storing on a computer-readable medium a buyer's ownership interest in the share of said intangible property interest (Col. 5, lines 29-42).

Harrington et al do not specifically disclose that the property interest is formed in a single intangible property interest. Rather, they teach that the property interest results from bidding on a package of multiple property interests at Col. 10-26. It would have been obvious to one of ordinary skill in the art at the time of the invention to have conceptually treated the package of interests disclosed by Harrington et al as a single interest because this would have reduced the complexity of bidding.

**Claims 8-9, 26-27, 34 and 35** are rejected under 35 U.S.C. 103(a) as being unpatentable over Ferstenberg et al in view of Crain's New York Business.

**Concerning Claims 8 and 9**, Ferstenberg et al discloses the invention substantially as claimed. See the discussion of Claim 7 above. Ferstenberg et al do not specifically disclose that the intangible property can be an interest in an intellectual property asset. Crain's discloses that intellectual property can be sold in a computer-implemented method and that the intellectual

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property can be patents, trademarks or copyrights at the Abstract. It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the intellectual properties disclosed by Crain's in the method of Ferstenberg et al because this would have provided the benefit specifically disclosed by Crain's at page 2, bracketed text of helping small companies market their patents, copyrights and trademarks.

**Concerning Claims 26 and 27**, see the discussion of Claims 8 and 9 above.

**Concerning Claims 34 and 35**, see the discussion of Claims 8 and 9 above.

**Claims 10, 12, 15, 20, 28, 30, 36 and 38** are rejected under 35 U.S.C. 103(a) as being unpatentable over Ferstenberg et al in view of Brett et al.

**As to Claim 10**, Ferstenberg et al discloses the invention substantially as claimed. See the discussion of Claim 7 above. Ferstenberg et al do not specifically disclose that the intangible property interest is within the group of license, lease easement or goodwill. Brett et al disclose a sold intangible property interest as a license (ticket) at the Abstract, Background of the Invention and Summary of the Invention. It would have been obvious to one of ordinary skill in the art at the time of the invention to have sold the licenses disclosed by Brett et al in method of Ferstenberg et al because this would have provided the advantages specifically disclosed by Brett et al at Col. 3, line 45-59 and quoted below.

Accordingly, an object of the present invention is to provide a computer controlled auctioning system, in which an unlimited number of participants may have simultaneous access to the desired event tickets. The above stated needs as well as others are fulfilled by the present invention through a system constructed to sell a large number of tickets in a very short time, each said ticket or group of tickets being sold for a value set by existing market forces. The system provides participants with simple, yet informative graphical standing bid information on the entire stock of tickets available,

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and allows them real-time bidding interaction. This system can achieve such sales even for events of extremely high public interest, without excluding any potential purchasers.

**Concerning Claim 12**, see the discussion of Claim 10 above and Brett et al further disclose the right to the use of a place (a ticket) at Abstract, Background of the Invention and Summary of the Invention. See the discussion of Claim 10 above for a motivation to combine the teachings of the two references.

**Regarding Claim 15**, Brett et al disclose displaying an identifier of the intangible property interest at Col. 8, lines 37-55. It would have been obvious to have displayed such an identifier in the method of Ferstenberg et al because this would have allowed potential buyers to have known the items for which they might bid.

**With respect to Claim 20**, Brett et al disclose displaying an ask price at Col. 7, lines 25-38 and this would have been obvious because it would have allowed the buyer to place bids which were assured of being acceptable to the seller, thus avoiding ineffectual bids.

**Concerning Claim 28**, see the discussion of Claim 10 above.

**Concerning Claim 30**, see the discussion of Claim 12 above.

**Concerning Claim 36**, see the discussion of Claim 10 above.

**Concerning Claim 38**, see the discussion of Claim 12 above.

**Claims 13, 14, 18, 19 and 31-32** are rejected under 35 U.S.C. 103(a) as being unpatentable over Ferstenberg et al in view of the Dictionary of Finance and Investment Terms.

**Concerning Claim 13**, Ferstenberg et al disclose the invention substantially as claimed. See the discussion of Claim 7 above. Ferstenberg et al do not specifically disclose that the



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intangible property interest is an interest derived from another intangible property interest.

Dictionary discloses such an interest as a secondary mortgage loan at page 541. It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided such a selling method for the interests disclosed by Dictionary in the method of Ferstenberg et al because this would have provided a market for a form of collateralized loan such as is specifically disclosed by Ferstenberg et al as an item tradable in their method. See Col. 1, lines 12-22.

**As to Claim 14**, see the discussion of Claim 13 above regarding second intangible property interests. It would have been obvious to one of ordinary skill in the art at the time of the invention to have allowed sale of shares of such interests because this would have broadened the market to which such interests could have been sold by lowering the “entry fee” to purchase of such an interest.

**As to Claim 18**, Ferstenberg et al disclose the invention substantially as claimed. See the discussion of Claim 7 above. Ferstenberg et al do not specifically disclose that a price is computed for the intangible property interest. Dictionary discloses such pricing at page 55. It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided such pricing for the interests as is disclosed by Dictionary in the method of Ferstenberg et al because this would have provided a method of comparably pricing different intangible properties (options) disclosed by Ferstenberg et al at Col. 1, lines 12-22.

**Regarding Claim 19**, see the discussion of Claim 18 above and Dictionary further discloses that the Black-Scholes formula as a way to fairly value options.

**Regarding Claim 31**, see the discussion of Claim 24 above. Ferstenberg et al do not specifically disclose the computation and distribution of income from an intangible property interest, although they disclose the applicability of their invention to stocks. See Column 1, lines 14-25. Dictionary, at page 156, discloses the distribution of stock dividends, an income derived from stocks. These dividends must inherently be calculated. It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the dividend distribution disclosed by Dictionary in the method of Ferstenberg et al because this would have made income realization for the intangible property holder more convenient and so enhanced the popularity of the method.

**Concerning Claim 32**, see the discussion of Claim 13 above.

**Claims 11, 21-22, 29 and 37** are rejected under 35 U.S.C. 103(a) as being unpatentable over Ferstenberg et al in view of Stallaert et al.

**Concerning Claim 11**, Ferstenberg et al disclose the invention substantially as claimed. See the discussion of Claim 7 above. Ferstenberg et al do not specifically disclose that rights conferred by an intangible property interest are bundled. Stallaert et al disclose this feature at Col. 1, line 10 to Col. 3, line 32. It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided for the bundling of rights disclosed by Stallaert et al in the method of Ferstenberg et al because this would have avoided losses of trading individually in a fragmented market as specifically disclosed by Stallaert et al at Col. 2, lines 21-34.

**As to Claim 21**, Stallaert et al disclose the matching of bundles, which would have had prices, at Col. 2, lines 37-45.

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**Regarding Claim 22**, see the discussion of Claims 7 and 11 above and Stallaert et al further disclose offering for sale a share of an intangible property interest at Col. 9, line 66 to Col. 10, line 16 and Abstract, and Summary an Background of the Invention.

**Concerning Claim 29**, see the discussion of Claim 11 above.

**Concerning Claim 37**, see the discussion of Claim 11 above.

**Claims 40-41** are rejected under 35 U.S.C. 103(a) as being unpatentable over Harrington et al in view of Crain's New York Business.

**Concerning Claims 40 and 41**, Harrington et al discloses the invention substantially as claimed. See the discussion of Claim 39 above. Harrington et al do not specifically disclose that the intangible property can be an interest in an intellectual property asset. Crain's discloses that intellectual property can be sold in a computer-implemented method and that the intellectual property can be patents, trademarks or copyrights at the Abstract. It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the intellectual properties disclosed by Crain's in the method of Harrington et al because this would have provided the benefit specifically disclosed by Crain's at page 2, bracketed text of helping small companies market their patents, copyrights and trademarks. Further, intellectual property rights are intangible property interests in the same way that the interests disclosed by Ferstenberg et al are.

**Claims 42 and 44** are rejected under 35 U.S.C. 103(a) as being unpatentable over Harrington et al in view of Brett et al.

**As to Claim 42**, see the discussions of Claims 39 and 10 above.

**Regarding Claim 44**, see the discussions of Claims 39 and 12 above.

**Claim 43** is rejected under 35 U.S.C. 103(a) as being unpatentable over Harrington et al in view of Stallaert et al.

**With respect to Claim 43**, see the discussions of Claims 39 and 11 above.

### ***Response to Arguments***

Applicant's arguments filed April 30, 2002 have been fully considered but they are not persuasive.

As to Applicant's first argument regarding the 112 second rejection of Claim 39, there is no antecedent reference to either buyer or ownership in the claim. If Applicant intends to describe a computer implemented method of selling a share *of ownership* in an intangible property interest *to a buyer*, that is what should be claimed.

As to Applicant's second argument regarding the rejection of Claim 39 based on failure to distinctly claim his invention, no substantive argument is given as to how buyer's ownership interest is determined. This feature was the basis of the rejection and the rejection has not been addressed. Applicant merely asserts that the Claim language appears to comply with 35 USC, section 112.

In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (see below) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification,

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limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Applicant begins argument at page 2 of the Response discussing the difference between the invention and the Ferstenberg reference. Applicant, in the second and third paragraphs of the page two, discusses how the invention described in his *disclosure* differs from the invention of Ferstenberg, but provides no evidence of limitations in his *claim* language which distinguish over the Ferstenberg reference.

Additionally, Applicant argues that his disclosure describes “several derived property interests” which is not in Ferstenberg. This is incorrect. Ferstenberg discloses “intangibles, such as securities (stocks, bonds, and *options*)...” as noted by Applicant. Options, as disclosed by Ferstenberg, are a type of contract whose values derives from a property interest. See Dictionary, page 147 for support of this reasoning.

Applicant’s arguments from page 2-3 of the response repeatedly state that his invention set forth in his *disclosure* distinguish over the prior art of record, but fail to set forth reasons why the *claimed* invention distinguishes. See Response, page 2, line 18, “”Background “; Response , page 2 line 29, “Applicant’s disclosure”; Response, page 3, line 2, “Applicant’s disclosure”; Response , page 2, line 29, “Applicant’s disclosure”; Response, page 3 line 21, “Applicant’s disclosure”; At this point in the prosecution, there are no limitations in the claims presented which provide a patentable distinction over prior art references. As there are no claim elements which provide patentable distinction, the rejections are maintained.

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The discussion of the 103(a) rejections relies on the arguments regarding Claims 1, 17, 23-24 and 33 discussed above and is therefore non persuasive.

***Conclusion***

**THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Charles Kyle whose telephone number is (703) 305-4458. The examiner can normally be reached on Monday - Friday, 8:30 - 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone numbers for the

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organization where this application or proceeding is assigned are (703) 746-7239 for regular communications and (703) 746-7238 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 305-3900.



crk

June 30, 2002



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